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July 24, 2001

TESTIMONY BEFORE THE U.S. SENATE ON THE PROPOSED  
PORT AND MARITIME SECURITY ACT OF 2001

Thank you Mr. Chairman and members of the Committee. As the Executive Director of the Maritime Security Council, I am pleased to have this opportunity to address the committee today to relate the views and concerns of our membership on the proposed Port and Maritime Security Act of 2001.

Background

The Maritime Security Council was created in 1988 to address the many security concerns of the U.S. and international maritime community. The MSC is a member-driven organization that works closely with United States government agencies concerned with maritime security and counterterrorism.

Our mission is to advance the security interests of the international merchant marine community against criminal and terrorist threats. The MSC represents maritime interests before government bodies; works in partnership with industry and government; disseminates timely information to its members; encourages the development of industry-specific technologies; and, convenes conferences and meetings for the membership. The MSC has established partnerships with a number of these agencies to prevent illegal drug trafficking, stowaways, theft, piracy, terrorism, and hijacking.

The MSC's international membership includes over 65% of the world's commercial ocean carrier fleet (by tonnage), cruise lines, numerous maritime service companies, port authorities, P&I clubs, shipping groups, ships agents, maritime law firms, and technical and engineering firms serving the maritime industry. The MSC works with many agencies, including the U.N.'s International Maritime Organization, the U.S. Customs Service, U.S. Coast Guard, U.S. Immigration and Naturalization Service, U.S. Department of State, U.S. Navy, U.S. Maritime Administration (MARAD), U.S. Drug Enforcement Agency, U.S. intelligence agencies, Federal Law Enforcement Training Center, U.K. Department of the Environment, Transportation and the Regions, and the U.K. Ministry of Defense.

In addition to being the principle clearinghouse for the exchange of information between its carrier members, the MSC also acts as a liaison with regulators and governments offering vital intelligence on crimes at sea. As a consequence of this role, the MSC assisted in the development of the U.S. Sea Carrier Initiative and Super Carrier Programs and participates in international activities with the U.S. Drug Control Program, World Customs

Organization, and the Baltic and International Maritime Council. The MSC also maintains an extensive library of information and training aids on maritime security.

The Committee should know that the Maritime Security Council is the proud recipient of the Vice Presidents National Performance Review or Hammer Award and has been a consultant to The White House, National Security Council, U.S. Customs, U.S. Department of Transportation, U.S. Coast Guard, and many other government entities. In 2000, the Maritime Security Council was asked to become maritime security advisors to both the U.S. State Department, through its Overseas Security Advisory Council, and Interpol, the international police agency.

The Maritime Security Council was the first maritime organization to work with the President's Interagency Commission on Crime and Security in United States Seaports. In fact, MSC executives provided a confidential state-of-the-industry briefing to key staff of the Commission at the White House prior to its actual authorization by the President in the Fall of 1999.

#### Port and Maritime Security Act of 2001

The MSC finds laudable the steps taken by the Committee and Senators Hollings and Graham in their efforts to establish minimum and effective security standards for U.S. and foreign ports. The last decade has seen shipowners invest significant amounts in security infrastructure and operations improvements, but the sad fact is that port authorities have failed to keep pace. Rarely has this been due to oversight by port directors; rather, it is the unfortunate byproduct of shortsighted budget cuts, departmental downsizings, and lack of Federal leadership and financial assistance.

The past year has demonstrated that it is incumbent upon many ports to review, analyze, and implement improvements in physical, personnel, and information security, particularly now as the range of threats has expanded. Unlike ten years ago, the U.S. now faces an amalgam of threats that have heretofore been more the subject of Rambo movies than reality: weapons of mass destruction (WMD); chemical and biological agents; sophisticated human smuggling schemes; and, hi-tech approaches to narcotics smuggling are at the top of the list. Many shipowners have made huge strides to protect their vessels, employing state-of-the-art access control devices, electronic narcotics and explosives detectors, and even devices that detect stowaways by way of CO2 concentration. Equal resolve has not been shown by many ports, who have relied upon shipowners to do the heavy lifting; clearly, the efforts of the Interagency Commission on Crime and Security in United States Seaports demonstrated that it is incumbent upon ports to match this effort in the protection of their perimeters and facilities.

Additionally, the MSC believes there has been a systemic failure to adequately address security awareness within the maritime community. Security has become an integral part of the operational fabric within the aviation industry, as an example, with strong messages of security awareness broadcast both publicly and internally -- and with the consequent effect of heightened deterrence and employee participation. A similar approach must be taken by the maritime industry, and as an industry we look to the government

to support such an effort with funding, research, and long term commitment.

The MSC feels that an impediment to holistic improvements in the area of maritime security can be traced to a confusing array of would-be agency ownership of this issue. It is a daunting task, to say the least, for a maritime director of security to weigh which agency to report an incident to or request guidance from, when the sheer numbers of these agencies exceed that which can be counted on two hands and a few toes thrown in for good measure. If not outright consolidation of responsibility, the industry would benefit from greater articulation of agency responsibility on issues involving security.

While the MSC applauded the efforts of the President's Seaport Commission, it also recognized the intrinsic weakness of its mandate: providing a critical review of U.S. ports as they relate to maritime security. The MSC would like to underscore that no less important, and arguably more so than U.S. ports, is the relative standards of security found in foreign ports that are direct sources of merchant shipping bound for U.S. ports. Whether it is WMDs, stowaways, or drugs, the fundamental fact is that each of these threats will likely have as a source some port outside the United States. So long as the emphasis is on interdiction rather than prevention at the source, the U.S. will forever remain vulnerable. We applaud this legislation for addressing this issue.

In 1999, the MSC launched an initiative that recommends a partnership between key federal agencies and the MSC to first quantify the scope of the problem associated with the lack of internationally recognized minimum standards of security for all international ports (i.e., ports with merchant traffic that have points of origin or destination outside their own national boundaries); and second, to develop and recommend tiered standards pegged to cargo/passenger throughput, GNP, etc. that would codify such standards much like what has previously been done with international airports. We hope that this initiative, and the Maritime Security Councils unique ability to assist in such efforts, will not be lost in the scramble to accomplish the goals of this legislation.

While we applaud the intent of this legislation, we nevertheless have reservations about key elements of its provisions. For example, we concur that intelligence and information sharing among law enforcement agencies need to be improved and coordinated at many seaports. Most seaports have little or no idea of the threats they face from crime, terrorism, stowaways, and other illegal activities due to a lack of coordination and cooperation between law enforcement and intelligence agencies and the sea carriers themselves.

It is vital for the members of this Committee to understand that the lion's share of intelligence relating to maritime crime comes from the industry itself. Just like the seaports, the sea carriers (which includes cargo ships, cruise ships, and other merchant vessels) are victims in these illegal activities, and as such they work tirelessly to identify threats, minimize vulnerabilities, and reduce their risk. If you ask the Office of Naval Intelligence or the Central Intelligence Agency or MARAD or the Coast Guard where the bulk of their intelligence comes from, they will certainly tell you

it is the industry and the shippers themselves.

Many are not aware of the fact that there exists today an ad hoc working group that is composed of key federal agencies, including the defense and intelligence groups, and industry representatives from the Maritime Security Council and the International Council of Cruise Lines. The MSC and the ICCL members have U.S. security clearances and the technical means to communicate classified information in order that they, and the government agencies represented in the working group, can share information and, if necessary, discuss raw intelligence findings so as to jointly propose reasonable actions to take so as to protect innocent lives and property. The reason this unique and effective partnership exists is that the government agencies involved in maritime security recognizes that much of the expertise and the intelligence from the field resides in the sea carrier community, and not in the government. Any effort to improve the standard of communication between law enforcement and other government agencies, and seaports, must also include provisions for industry participation. Absent such provisions, the efforts to strengthen U.S. seaport security is doomed to failure.

The same participation by industry is also essential for the establishment of a Port Security Task Force and the local Port Security Committees recommended in this legislation. Umbrella non-profit organizations representing sea carriers, such as the Maritime Security Council, must be included to ensure that their resources, and concerns, are not overlooked. Indeed, we can only assume it to be an oversight that membership in the proposed Seaport Security Committees is limited to the port authority; federal, state, and local government and their law enforcement agencies; labor organizations and transportation workers; local management organizations; and those private sector representatives whose inclusion is deemed beneficial by the USCG Captain of the Port. Can it really be the intention of the committee to have seaport security issues reviewed by stevedores unions but not by the sea carriers themselves?

Seaport security and vulnerability assessments are vital for conducting risk assessments of U.S. and foreign ports. The U.S. Coast Guard has done an admirable job in performing such assessments of foreign ports with what can only be described as ridiculously low funding. Despite hundreds of thousands of U.S. citizens visiting ports around the world, the risks of which are little known to the government, funding for these assessments is anemic. In some years less than five such assessments are performed -- in some cases the assessments are canceled altogether due to the ports being deemed too hazardous for military personnel to visit. Yet American tourists will visit such ports regularly not knowing the potential risks.

The Committee should know that the industry itself is committed to improving the safety of foreign ports, particularly those visited by cruise ships. As the former Director of Security for both Princess and Renaissance Cruises, I performed security audits in over 160 ports in 106 countries. If a port had problems, the industry would assist the port authority in identifying weaknesses and those low-cost or no cost measures that could reduce their exposure to risk. Mind you, none of this is mandated by legislation or done with U.S. assistance. Its just good business to protect the lives and property of our passengers and cargo. But there needs to be Federal help if

we are to do it right.

The Act recommends the creation of Maritime Transportation Security Programs for the purpose of prescribing regulations to protect the public from threats originating from vessels in a U.S. seaport against an act of crime or terrorism. The Maritime Security Council again urges the Committee to include organizations such as the MSC in these programs to ensure that all relevant voices are heard. Without the MSC, a significant percentage of maritime security expertise, experience, and information will be unavailable to those most in need of it.

The Act also recommends the use of the FBI's Integrated Automated Fingerprint Identification System for port authority background checks. The MSC recognizes the sensitivity of this issue, particularly given the volatility of any form of background checks with the various stevedoring and other waterfront labor unions. While the majority of dock workers are honest and absent a criminal background or criminal ties, it is nevertheless recognized by both government agencies, port authorities, and sea carriers, that the majority of crimes committed within the ports are by those employees that have access within their confines. Access controls coupled with background checks of all those port employees that have access to restricted areas, which by definition includes docks and ships, would have a significant affect in reducing the over \$1 billion lost in cargo theft, as well as minimizing overall criminal risk.

The Act proposes Security Program Guidance for the development of voluntary security recommendations that will serve as a benchmark for the review of security plans. The Maritime Security Council and its members have experience in depth in the development of security policies and procedures. In areas covering general security, access to sensitive areas, vehicular access, firearms restrictions, and private security guards, the sea carriers themselves have experience extending beyond U.S. borders, thereby giving a global perspective.

The Act recommends an International Seaport Security initiative designed to encourage the development and adoption of seaport security standards under international agreements in other countries. This, and the follow-on Port Accreditation Program, were first proposed in an international conference on maritime security hosted by the Maritime Security Council in 1998. In 2000, I met with the U.N.'s International Maritime Organization in London and discussed this issue. The IMO expressed interest in working with the MSC and the U.S. government in the creation of tiered standards of port security that could be used to increase security in Third World countries to acceptable levels. It is important to recognize that by itself, the United States would be hard put to see such far reaching an effort succeed without the assistance of the international sea carrier community. The MSC's constituency is both familiar with the ports of concern, and works with these port authorities on a regular basis. For reasons previously articulated, and due to its extant efforts in this pursuit, we believe the MSC must be an integral partner in the Act's International Seaport Security initiative.

Furthermore, the MSC believes that, given the gravity of the problem associated with foreign port security standards, and the magnitude of this

effort, the proposed budget of \$500,000 per year for three years is entirely inadequate. An amount of \$1,000,000 per year would be a minimum amount necessary to accomplish this goal of the Act.

The Act proposes the creation of a Maritime Security Institute to develop standards and procedures for training and certification of maritime security professionals. The Maritime Security Council is flattered that such an initiative is being proposed, as the MSC began the creation of a Maritime Security Institute in 2000 for the same purposes as detailed in the Act. It was also the intention of the MSC to combine efforts with the U.S. Treasury's Federal Law Enforcement Training Center, which is already recognized for its outstanding course work in seaport security and counterterrorism. The MSC stands ready to work with FLETC, as well as the U.S. Merchant Marine Academy and the International Association of Airport and Seaport Police to further develop the Maritime Security Institute.

However, the funding recommended is woefully inadequate given the demand for such training and certification. I believe the Committee has underestimated the number of persons involved in seaport and sea carrier security, and a budget of \$2,500,000 for the first two years and \$1,000,000 for the following two years, is simply unrealistic and setting the program up for failure. The MSC and its members strongly believe that a budget of \$3,750,000 for the first year, \$2,500,000 for the next three years, and \$1,750,000 each following year would be the minimum necessary to accomplish the goal of establishing a U.S.-based Institute, coupled with an ability to send Mobile Training Teams to foreign governments and ports in concert with the Port Accreditation Program.

The MSC further recommends strongly that the Maritime Security Institute be based in Charleston, South Carolina and not at the U.S. Merchant Marine Academy. The Federal Law Enforcement Training Center already has established in Charleston a training facility that sees nearly 30,000 students per year. While the USMMA is undoubtedly one of the finest merchant marine training centers in the world, the Maritime Security Institute will focus more on law enforcement than it will merchant marine training. Given the quality of maritime security, law enforcement, and criminal investigation training that already takes place at the Charleston facility, plus the added benefits of proximity to a major U.S. port, a mild climate that lends itself to year round outdoor training, and greater accessibility to the majority of sea carriers which happen to be located in the southern United States, this location is a superior choice and the MSC encourages a change.

The Act recommends that loans and grants be made available for port security infrastructure improvements, which the Maritime Security Council applauds. Under eligible projects, the MSC would recommend including conferences and seminars which aim is to educate and improve maritime security in the U.S. and overseas. The role of education should be seen as a predicate to hardware improvements at our seaports and such inclusion under this section of the Act would help to ensure that.

Finally, the Act recommends that the revision of the Department of Transportation Port Security Planning Guide be made available on the Internet. The MSC believes that the dissemination of information, including

guides of this sort, that provides detailed security planning guidance regarding the nations seaports, is best done through official sources. Placing such information on the Internet could place sensitive security guidelines in the hands of terrorists or criminals who could derive benefit from their contents. It is not likely that those ports and other end-users who have a legitimate need for security planning information would not have access to it through the U.S. Coast Guard, Department of Transportation, MARAD, or other official sources. The Port Security Planning Guides should be treated as For Official Use Only documents and promulgated as such.

The Maritime Security Council thanks the Committee and its members for this opportunity to address this important legislative effort. The proposed Port and Maritime Security Act of 2001, with the modifications we have put forward to you today, stands to be one of the most important steps taken by any government to protect its ports and sea carriers from an amalgam of unchecked risks. We at the MSC stand prepared, as we always have, to assist this Committee and its staff on its important efforts. The Maritime Security Council will be dedicating a significant portion of its Annual Conference to the issues raised in this hearing. I invite each of you to attend on the 18th and 19th of September here in Washington as we work to find new ways to improve maritime security.

I will make a copy of my remarks available to your staff and will remain to answer any of your questions.

Thank you.